

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-1:**

Provide a complete copy of the Company's default service filing to the Department for the default service solicitation issued in September 2001.

**Response:**

Attachment DTE 2-1 is the Default Service filing resulting from the September 2001 solicitation. These same materials, including the confidential portions, were provided to the Attorney General at the time of the filing pursuant to a Nondisclosure Agreement. Due to the passage of time, FG&E no longer seeks confidential treatment of these materials.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-2**

Provide a complete copy of the Company's default service filing to the Department for the default service solicitation issued in March 2002.

**Response:**

Attachment DTE 2-2 is the Default Service filing resulting from the March 2002 solicitation. These same materials, including the confidential portions, were provided to the Attorney General at the time of the filing pursuant to a Nondisclosure Agreement. The only portion of this filing which FG&E continues to request confidential treatment is the Supplier Key. FG&E is submitting a Motion for Protective Order contemporaneously with the submission of these responses.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-3**

Provide a copy of the material used by Enermetrix in the September 2001 solicitation to solicit responses for the Company's default service supply commencing in December 2001.

**Response:**

Attachment DTE 2-3 contains a copy of the press release Enermetrix issued on August 31, 2001 announcing that they would be brokering FG&E's default service solicitation and an announcement issued to the NEPOOL Markets Committee. In addition to these materials, Enermetrix had posted notice of FG&E's RFP for default service on its website. In addition, Enermetrix used the FG&E RFP which is included as part of Attachment DTE 2-1.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-4**

Provide a copy of the material used by Enermetrix in the March 2002 solicitation to solicit responses for the Company's default service supply commencing in June 2002.

**Response:**

Attachment DTE 2-4 contains a copy of the announcement issued to the NEPOOL Markets Committee. In addition to this, Enermetrix had issued a press release and posted notice of the FG&E's RFP for default service on its website. These materials are not available. In addition, Enermetrix used the FG&E RFP which is included as part of Attachment DTE 2-2.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-5**

For retail prices for default service prior to December 2001, provide a comparison of FG&E's prices with the prices charged by all other Massachusetts electric distribution companies.

**Response:**

Attachment DTE 2-5 compares retail prices for default service prior to December 2001 for all Massachusetts electric distribution companies.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-6:**

For retail prices for default service commencing in December 2002 and thereafter, provide a comparison of FG&E's prices with the prices charged by all other Massachusetts electric distribution companies.

**Response:**

Attachment DTE 2-6 compares retail prices for default service commencing in December 2002 for all Massachusetts electric distribution companies.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-7:**

Describe the processes used by FG&E for its default service solicitations after the March 2002 solicitation.

**Response:**

FG&E announced its RFP for default service supplies via e-mail notification to the NEPOOL Markets Committee and directly solicited via phone and e-mail all companies who had previously expressed interest in FG&E's RFPs. The NEPOOL Markets Committee e-mail list is made up of more than 200 recipients. FG&E provided copies of the RFP to all those companies requesting a copy. Throughout the process, FG&E responded to bidder inquiries and maintained regular contact with potential bidders in order to maintain bidder interest in the solicitation.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-8:**

How did FG&E become aware of Enermetrix's service of brokering wholesale and retail electricity supply?

**Response:**

FG&E became aware of Enermetrix's brokering of retail electricity supply generally through various press releases and public information regarding the use of the Enermetrix platform by FG&E's affiliate, Usource. FG&E initially inquired about the potential use of Enermetrix through one of USource's employees, who indicated that Enermetrix may be able to assist FG&E in providing greater access to the markets. FG&E subsequently contacted Enermetrix in the summer of 2001 about possibly using Enermetrix for the fall 2001 Default solicitation.

**Person Responsible: David K. Foote**



Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-9:**

Explain the process used by FG&E in selecting Enermetrix to conduct FG&E's default service supply solicitations for (a) fall 2001 and (b) spring 2002.

**Response:**

(a) In 2001, FG&E was concerned about the limited pool of bidders it had attracted in its prior solicitations for default service, and was also aware that many suppliers in the region were participating in the internet-based exchange operated by Enermetrix. FG&E believed that Enermetrix could draw additional attention to its solicitation both through its web-based platform and also through its brokers' extensive contacts with suppliers active in the retail markets. FG&E did not identify any other potential brokers that were actively marketing non-standard, load-following power supply transactions. Faced with either using Enermetrix or marketing the RFP directly, FG&E chose to use Enermetrix in order to provide greater access to market participants and take advantage of Enermetrix knowledge of suppliers providing service to retail load following markets. (b) Based on the successful results for FG&E's fall 2001 RFP, and the increased market response, FG&E decided to again use Enermetrix to broker its spring 2002 RFP. Please see the responses to DTE 2-8 and DTE 2-10.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-10:**

Describe the process used by FG&E in selecting Enermetrix over other Internet-based energy auction vendors. What other Internet-based energy auction vendors did FG&E contact regarding these default service supply solicitations?

**Response:**

Please see response to DTE 2-9. It is FG&E's understanding that Enermetrix was the only vendor of an internet-based retail broker based system, thus FG&E did not seek alternative vendors.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-11:**

Explain the process used by Enermetrix to solicit responses to FG&E's default supply solicitations for (a) fall 2001 and (b) spring 2002.

**Response:**

Please refer to DTE 2-3. Enermetrix issued a press release announcing the solicitation, which resulted in articles in Megawatt Daily and Restructuring Today, and sent an announcement message to the NEPOOL Markets Committee and posted notice on its website. In addition to these efforts, Enermetrix actively solicited suppliers that might have interest via phone, fax and email. Because suppliers providing load following service in the region participated in the Enermetrix exchange, the Enermetrix brokers had unique access and extensive contacts with potential bidders.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-12:**

Reference: Testimony of David K. Foote, page 6, lines 1-6.

What is the basis of your understanding of the rate that Enermetrix charged default service suppliers for the fall 2001 default service solicitation?

**Response:**

Information provided from Enermetrix to FG&E indicates that the broker fee charged by Enermetrix to the winning supplier was 0.0200¢ per kWh for the fall 2001 default service solicitation. I used the term "understanding" in my referenced testimony because FG&E has no direct evidence of invoicing from Enermetrix to the winning supplier. FG&E's understanding was based on general impressions from phone discussions with Enermetrix.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-13:**

Explain why Enermetrix's charge to default service suppliers increased from the fall 2001 default service solicitation to the spring 2002 solicitation.

**Response:**

While FG&E did not confirm this with Enermetrix at the time of these solicitations, it appears that Enermetrix combined the volumes of the two customer groups for purposes of establishing the broker fee in the fall of 2001. This was most likely done because the same supplier won both customer groups during that solicitation. The combined, and thus higher, volume assessed a broker fee in the fall of 2001 resulted in a lower broker fee. As discussed in DTE 2-14, the customer groups were assessed broker fees separately in spring 2002, consistent with different suppliers winning each customer group.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-14:**

Explain why Enermetrix charged a different rate to default service suppliers for residential load and commercial load for the spring 2002 solicitation.

**Response:**

The amount of the brokering fee charged by Enermetrix differed for each of the two customer groups in the spring 2002 solicitation because of differences in the projected volumes of each customer group. The Residential and Small C&I customer group had a larger projected volume than the Medium and Large C&I group and thus received a lower broker fee.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-15**

Reference: Testimony of David K. Foote, page 6, lines 8-10.

What is the basis for your understanding that Enermetrix applied its usual rate for transactions like the Company's default service supply solicitations?

**Response:**

As indicated in the referenced testimony, FG&E had not negotiated a particular rate with Enermetrix for the brokering services. FG&E had arranged for Enermetrix to broker the transaction and to post its requirements on the Enermetrix internet platform, expecting that usual fees would apply.

**Person Responsible: David K. Foote**

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-16:**

Identify electricity supply solicitations conducted by Enermetrix that were comparable in size to the solicitations conducted by Enermetrix or FG&E.

**Response:**

Enermetrix did not identify individual companies. Mr. Foote recalls that during the initial phone discussion with Enermetrix, Enermetrix indicated they had customers on their platform that had loads of 15 MW or greater. That was a load level consistent with the expected FG&E Default load.

**Person Responsible: David K. Foote**



Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
D.T.E. 03-09  
Responses to Department's Second Set Of Information Requests

---

**Request No. DTE 2-17:**

For default service supply solicitations after spring 2002, did FG&E seek to use the services of another vendor similar to Enermetrix? If yes, explain the process used. If no, why not?

**Response:**

No. It is FG&E's understanding that Enermetrix was the only vendor of an internet-based retail broker based system.

**Person Responsible: David K. Foote**